

THE OFFICE OF REGULATORY STAFF
DIRECT TESTIMONY
OF
DAWN M. HIPPI
AUGUST 17, 2011



DOCKET NO. 2011-47-WS

**Application of Carolina Water Service,
Incorporated for Approval of an Increase in Its
Rates for Water and Sewer Services Provided to
All of Its Service Areas in South Carolina**

TESTIMONY OF DAWN M. HIPPI

FOR

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2011-47-WS

IN RE: APPLICATION OF CAROLINA WATER SERVICE, INCORPORATED

FOR APPROVAL OF AN INCREASE IN ITS RATES FOR WATER AND

SEWER SERVICES PROVIDED TO ALL OF ITS SERVICE AREAS IN SOUTH

CAROLINA

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND
OCCUPATION.**

A. My name is Dawn M. Hipp. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the state of South Carolina as the Director of the Telecommunications, Transportation, Water and Wastewater Department for the Office of Regulatory Staff ("ORS").

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND
EXPERIENCE.**

A. I am a 1992 graduate of Minnesota State University - Moorhead where I earned a B.A. in Political Science. I have over eight years of experience in hazardous waste regulation. From 1996 to 1999, I worked for Laidlaw Environment Services as an accounts receivable supervisor and then as a facility accounting supervisor for Laidlaw's Government Services Division. In this role, I facilitated electronic commerce including Electronic Data Interchange ("EDI")

1 transfers of orders and Electronic Funds Transfer (“EFT”) payments with
2 customers. I also developed, implemented, and enhanced government billing and
3 waste tracking systems. From 1999-2003, I worked for Safety-Kleen Corporation
4 and Clean Harbors Environmental Services, Inc. as an operations manager in the
5 Government Services Division. In this role, I managed the financial, operations
6 and all regulatory aspects of field offices nationwide serving Department of
7 Defense hazardous waste removal contracts.

8 In September 2004, I joined ORS as the Program Specialist for the Water
9 and Wastewater Department. I have completed the Eastern National Association
10 of Regulatory Utility Commissioners (“NARUC”) Utility Rate School: Basics of
11 Rate-setting and New Mexico State University’s Center for Public Utilities
12 Workshop: Regulating Small Water Utilities.

13 In November 2007, I became the Director of the Telecommunications,
14 Transportation, Water and Wastewater Department. I currently supervise the
15 ORS regulatory activities to monitor utility compliance with the Public Service
16 Commission of South Carolina (“Commission” or “PSC”) rules and regulations.

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
18 **PROCEEDING?**

19 A. The purpose of my testimony is to set forth the ORS findings related to the
20 rate increase application submitted by Carolina Water Service, Inc. (“CWS”).
21 Specifically, I will focus on the following areas:

- 22 1) Compliance with Commission rules and regulations;
23 2) Customer complaints and customer service;

1 3) Proposed rate schedule;

2 4) Customer billing; and

3 5) Non-revenue water

4 **Q. ARE THE FINDINGS OF YOUR REVIEW CONTAINED IN THIS**
5 **TESTIMONY AND ACCOMPANYING EXHIBITS?**

6 A. Yes. My testimony and attached exhibits detail ORS's findings and
7 recommendations.

8 **Q. PLEASE EXPLAIN HOW YOU COMPILED INFORMATION FOR YOUR**
9 **TESTIMONY AND EXHIBITS.**

10 A. I relied on information provided by CWS in its Application and its
11 responses to the ORS's information requests, ORS site inspection findings, and
12 ORS records related to customer complaints.

13 **Q. PLEASE PROVIDE SOME BACKGROUND ON THE CWS SERVICE**
14 **AREA.**

15 A. CWS is the largest investor-owned, water and wastewater utility operating
16 in South Carolina. The majority of its residential and commercial customers are
17 located in Lexington and York counties (Exhibit DMH-1 page 1), both in heavily
18 populated areas. Based on CWS billing records, approximately 82% of its water
19 customers are provided water distribution services by CWS and, for these
20 customers, the water is supplied to CWS by a third-party provider such as York
21 County or the City of West Columbia. Of the approximately 13,000 wastewater
22 Equivalent Residential Connections ("ERCs"), CWS provides wastewater
23 collection and treatment to approximately 60% of its customers through its own

1 facilities. The other 40% of the wastewater customers are provided wastewater
2 collection only services by CWS, and CWS contracts with a third-party provider
3 for wastewater treatment and disposal such as York County (Exhibit DMH-1 page
4 2).

5 **Q. PLEASE EXPLAIN THE BUSINESS OFFICE COMPLIANCE REVIEW**
6 **ORS CONDUCTED IN THIS DOCKET.**

7 A. ORS conducts a Business Office Compliance Review in support of all rate
8 case proceedings, and otherwise on a periodic basis. The purpose of this review is
9 to ensure that CWS is in compliance with all administrative aspects of 26 S.C.
10 Code Ann. Regs. 103 Articles 5 and 7.

11 **Q. IS CWS IN COMPLIANCE WITH THE COMMISSION REGULATIONS?**

12 A. No. The ORS Business Office Compliance Review can be found in
13 Exhibit DMH-2. Of the 22 components reviewed by ORS, CWS was out of
14 compliance with the following five (5) areas: deposits, timely and accurate
15 billing, customer bill forms, customer billing adjustments and notices filed with
16 the Commission. I will address each compliance deficiency in more detail.

17 **Deposits: 26 S.C. Code Ann. Regs.103-531 & 103-731**

18 CWS did not accrue deposit interest at the correct rate (3.5%) set by the
19 Commission in Order No. 2003-593 in Docket No. 1993-013-A for an unspecified
20 period prior to the test year. According to CWS, it discovered the error in 2009
21 during a reconciliation of customer accounts and re-set the interest rate to 3.5% on
22 all customer deposits that had an interest balance from the date the deposit was
23 paid to CWS through December 2009. The Commission requires interest from

1 deposits be paid to the customer at least every 2 years. While CWS paid interest
2 on customer deposits during the test year, it appears interest was paid only when
3 the deposit was returned to the customer. It is unclear to ORS if interest is being
4 paid every 2 years on customer deposits held longer than the required 2-year
5 period. To allow interest on deposits to accrue at the incorrect rate for an
6 unspecified period of time, inflates the amount of accrued interest and is in error.
7 ORS witness Sharon Scott has made an adjustment to the accrued interest on
8 customer deposits at test year end. ORS cannot determine the basis for CWS's
9 reduction to test year accrued interest by (\$253,041) due to the lack of specific
10 information regarding customer deposits. ORS recommends CWS thoroughly
11 review its deposit records to ensure compliance with the Commission regulations
12 and Order No. 2003-593.

13 **Timely and Accurate Customer Bills: 26 S.C. Code Ann. Regs.103-532 &**
14 **103-732**

15 During the test year, CWS did not issue timely or accurate bills to
16 customers who received water distribution and/or wastewater collection services.
17 The primary cause of these untimely and inaccurate bills is the design and
18 implementation of the Customer Care and Billing ("CC&B") system put into
19 service by CWS in June 2008. ORS has worked since 2008 to assist both the
20 customers and CWS. In general, ORS detected the following types of billing
21 errors during the test year:

- 22 1) No monthly bill or delayed monthly bill;
23 2) 60-90 day delay between the service period and bill date;

- 1 3) Estimated meter readings used in 2 consecutive billing periods without
2 customer approval; and
3 4) Bills not in compliance with the approved rate schedule.

4 **Bill Form: 26 S.C. Code Ann. Regs.103-532.1 & 103-732.2**

5 During the test year, bills issued by CWS did not conform to Commission
6 requirements. In general, ORS detected the following types of bill form
7 deficiencies:

- 8 1) No meter readings;
9 2) No distinct marking to identify it as an estimate;
10 3) No meter number; and
11 4) No rate or statement that the applicable rate schedule would be
12 furnished upon request.

13 **Adjustments of Bills: 26 S.C. Code Ann. Regs.103-533 & 103-733**

14 From ORS's review of CWS customer bills, ORS determined that CWS
15 was not making adjustments to customer bills in accordance with Commission
16 regulations. CWS had failed to bill a new customer for service and the customer
17 received free service for a long duration. In one case, the customer received free
18 service for more than a year. When the error was discovered, CWS issued a bill
19 to the customer for a time period that exceeded the six (6) months allowed by the
20 Commission regulations. While CWS stated that the "account was billed for
21 unbilled service they [the customer] acknowledged using during this time period,"
22 the practice of making a billing adjustment which exceeds the maximum time
23 period is not in compliance with Commission regulations.

1 **Notices of Violation: 26 S.C. Code Ann. Regs.103-514.C & 103-714.C**

2 CWS did not file with the Commission and ORS any notice of violation of
3 a Department of Health and Environmental Control (“DHEC”) regulation which
4 results in an issuance of a DHEC order. For example according to DHEC and
5 CWS, a DHEC Consent Order was issued on July 14, 2011. This order and any
6 previous DHEC notices of violation which led to the issuance of this Consent
7 Order were not provided to the Commission or ORS.

8 **Q. PLEASE PROVIDE A BRIEF EXPLANATION OF WHAT TYPES OF**
9 **CUSTOMER COMPLAINTS HAVE BEEN RECEIVED BY ORS**
10 **RELATED TO CWS?**

11 A. ORS received 115 customer complaints during the test year. Over 90% of
12 these complaints were related to CWS billing. By comparison, ORS received 102
13 customer complaints from October 2008 through September 2009 with over 90%
14 related to CWS billing. From October 2010 to August 2011, ORS has received 57
15 customer complaints and 30% are related to CWS billing.

16 **Q. AS A RESULT OF THE NATURE AND NUMBER OF CWS CUSTOMER**
17 **COMPLAINTS, DID ORS INITATE AN ENFORCEMENT ACTION**
18 **AGAINST CWS DURING THE TEST YEAR?**

19 A. Yes. ORS filed a rule to show cause petition with the Commission
20 (Docket No. 2010-146-WS) in May 2010. This case is currently pending before
21 the Commission. Since June 2008, ORS has attempted to assist individual
22 customers and CWS in reaching resolution to each specific complaint. Through
23 the complaint investigation process, it is evident to ORS that: 1) the customer

1 billing issues are widespread; 2) the implementation of CC&B by CWS was
2 difficult and training was deficient; 3) the method CWS uses to calculate the pro-
3 rata water supply and wastewater treatment charge creates a delay in issuing
4 customer bills; and 4) CWS has been unwilling or unable to implement global
5 corrective actions to address customer billing issues.

6 **Q. WHY DID ORS MAKE AN ADJUSTMENT TO REMOVE A PORTION**
7 **OF THE EXPENSES RELATED TO THE CC&B SYSTEM?**

8 A. The simple answer is that the CC&B system is not providing timely and
9 accurate bills to the water distribution and wastewater collection customers. ORS
10 does not dispute that the CC&B system may provide other operational and
11 administrative efficiencies which may benefit the customers. But it is apparent
12 from customer complaints, protestant testimony, and the ORS review of customer
13 bills and revenue records, that the CC&B system design and implementation was
14 deficient. The majority of customers did not receive timely and accurate bills
15 during the test year and billing errors continue to occur. ORS removed 74.65% of
16 the initial cost for CC&B as detailed in ORS witness Sharon Scott's Adjustment
17 27. This percentage reflects the percent of water distribution and/or wastewater
18 collection customers who have been affected by the billing deficiencies in CC&B
19 stemming from poor design and implementation. This results in data integrity
20 problems that have resulted in under-recovery of revenue, overstatement of
21 uncollectible accounts, and the inability to determine the accurate water balance
22 for the utility. These data integrity problems may contribute to a reduced cash
23 flow for CWS.

Q. WHAT LIMITATIONS OF CC&B CONTRIBUTE TO THE DELAY AND INACCURACY OF CUSTOMER BILLS?

A. During the initial implementation of the system in 2008, CWS was not able to render customer bills to all customer classifications. When CWS was finally able to issue customer bills, there was at least a sixty (60) day delay between the billing date and the meter read date for customers. The customers who receive water supply and/or wastewater treatment service directly from CWS are currently receiving bills that are timely.

A billing delay continues to affect water distribution and/or wastewater collection customers. This delay is caused by the manual process CWS uses to calculate the pass-through water supply and wastewater treatment charge for customers whose water supply/wastewater treatment is purchased from a third-party provider (e.g City of West Columbia). CC&B is not able to automatically calculate or assess the pass-through charge for applicable customers. Pass-through charges are manually calculated by CWS based on receipt of the third-party provider service invoice. CWS allocates the cost of the third-party provider invoice over its distribution/collection customers on a “pro-rata” basis proportionately to arrive at the fluctuating monthly water supply/wastewater treatment charge. In general, this manual allocation of third-party cost has introduced a delay in customer billing for water distribution and/or wastewater collection customers. This manual process has caused errors in water supply charges which resulted in inaccurate bills.

1 **Q. DOES ORS HAVE A RECOMMENDATION TO CORRECT THE**
2 **DELAYS AND IMPROVE ACCURACY OF CUSTOMER'S BILLS?**

3 A. Yes. ORS recommends the Commission consider a revision to the pass
4 through language in the CWS proposed rate schedule (CWS Application Exhibit
5 A) used by CWS. This revision will provide water distribution and/or wastewater
6 collection customers with accurate, transparent and timely service bills. ORS
7 recommends the current rate schedule language included in the CWS Application
8 Exhibit A page 2 ¶ 1 and page 6 ¶ 1 be revised to eliminate the words "...on a pro
9 rata basis..". If the Commission were to adopt the ORS recommended change the
10 water rate schedule language would read:

11 The Utility will also charge for the cost of water purchased from the
12 government body or agency, or other entity. The charges imposed or charged
13 by the government body or agency, or other entity providing the water supply
14 will be charged to the Utility's affected customers without markup. Where
15 the Utility is required by regulatory authority with jurisdiction over the Utility
16 to interconnect to the water supply system of a government body or agency or
17 other entity and tap/connection/impact fees are imposed by that entity, such
18 tap/connection/impact fees will also be charged to the Utility's affected
19 customers without markup.
20

21 If the Commission were to adopt the ORS recommended change, the
22 sewer rate schedule language would read:

23 The Utility will also charge for treatment services provided by the government
24 body or agency, or other entity. The charges imposed or charged by the
25 government body or agency, or other entity providing treatment will be
26 charged to the Utility's affected customers without markup. Where the Utility
27 is required by the terms of a 201/208 Plan, or by other regulatory authority
28 with jurisdiction over the Utility to interconnect to the sewage treatment
29 system of a government body or agency or other entity and
30 tap/connection/impact fees are imposed by that entity, such

1 tap/connection/impact fees will also be charged to the Utility's affected
2 customers without markup.

3
4 **Q. HOW DOES THAT SLIGHT CHANGE IN RATE SCHEDULE**
5 **LANGUAGE PROVIDE GREATER ACCURACY, TRANSPARENCY**
6 **AND TIMELINESS TO THE CUSTOMER?**

7 A. By eliminating the words "... on a pro rata basis..." CWS will no longer
8 be required to perform monthly manual calculations and manual inputs for CC&B
9 to generate a water distribution and/or wastewater collection customer invoice.
10 The rate for service (i.e. per 1,000 gallons or per cubic foot) charged by the third-
11 party water supply or wastewater treatment provider will become the same rate
12 charged by CWS to its customers. For example, if the City of West Columbia
13 charges CWS a water supply rate of \$3.00/1,000 gallons, a water distribution
14 customer in the Courtside Commons subdivision of Lexington County would be
15 billed by CWS at the same rate of \$3.00/1,000 gallons of water for the pass
16 through component of the CWS monthly service invoice. The only time a manual
17 input will be required is when the rate from the third-party provider changes. The
18 customer and ORS would be able to easily review the water supply and/or
19 wastewater treatment charge contained on the CWS bill to ensure the charge was
20 accurate. The CWS bill could be issued in a timely manner after the customer's
21 meter is read.

22 **Q. IF THE COMMISSION WERE TO APPROVE THE ORS SUGGESTION**
23 **TO CHANGE THE LANGUAGE IN THE CWS RATE SCHEDULE, HOW**
24 **COULD CWS BE AFFECTED?**

1 A. Obviously, CWS could benefit in a positive manner by the increased
2 accuracy and timeliness of billing its customers due to the elimination of the
3 manual calculation and manual input. This may translate into better cash flow
4 overall. CWS may notice a decrease in customer inquiries and complaints related
5 to the water supply and/or wastewater treatment charge as the charge is
6 transparent and easily related to the contract rate from the third-party provider.
7 Under the current rate structure which is very confusing to the customer, a
8 customer inquiry into the accuracy of the water supply and/or wastewater
9 treatment charge is labor intensive for both ORS and CWS to investigate and
10 verify due to the pro rata share calculation method used by CWS. In systems
11 where CWS purchases water supply and/or wastewater treatment services from a
12 third-party provider, CWS has the opportunity to recover from its customers all of
13 the expenses for water used for authorized consumption, water lost and increased
14 wastewater treatment due to inflow and infiltration ("I&I"). ORS's suggested
15 change in the rate structure language for water and sewer would require CWS to
16 treat non-revenue water and increased wastewater treatment expense due to I&I as
17 a cost of service.

18 **Q. DOES CWS HAVE A WATER AUDIT AND LOSS CONTROL**
19 **PROGRAM?**

20 A. Based on the information provided by CWS, it appears that a Water Audit
21 and Loss Control program was not in place during the test year but will be
22 implemented on a going forward basis. However, CWS provided no specific
23 timeframe for implementation of their Water Audit and Loss Control program.

1 Increases in pumping, treatment and operational costs make water losses more
2 costly. Any water loss translates into non-revenue water for most utilities. For
3 CWS, any water loss is ultimately passed on to the customers in the form of
4 higher rates or an increased water supply charge even though the third-party
5 provider has not increased its charge to CWS.

6 Without reliable water audit statistics from CWS for the test year, it is
7 difficult for ORS to determine with certainty the complete effect of water loss on
8 CWS and its customers. ORS recommends that CWS develop and implement a
9 Water Audit program using the standards outlined in the American Water Works
10 Association (“AWWA”) M36 Manual of Water Supply Practices.

11 **Q. IS CWS BILLING ALL CUSTOMERS THAT ARE USING ITS**
12 **SERVICES?**

13 A. No. Based on ORS’s review of users in the CWS service territory
14 compared to CWS billing records, ORS determined that some users were
15 receiving CWS services but were not billed at all or were under-billed during the
16 test year. ORS used county tax records to identify a small sample of customers
17 located within the CWS service area but not listed in CWS billing records as
18 being billed for service. ORS then conducted a site visit to the service area to
19 review occupancy. Based on the small ORS sample, nine residential customers
20 located within the CWS service territory were identified as receiving service but
21 not entered into CC&B and consequently, not billed by CWS. In addition, ORS
22 extracted a small sample of commercial customers from CWS’s service territory,
23 ORS conducted site inspections to verify that CWS was billing its commercial

1 customers using the correct number of Single Family Equivalents (“SFEs”). In
2 this sample, ORS determined that several customers were under-billed because
3 CWS did not assign the correct number of SFEs to a commercial business. ORS
4 imputed revenue for all customer accounts found during the review.

5 CWS indicated in its information responses that CC&B generated
6 “vacancy” reports which were used by CWS customer service and field personnel
7 to confirm occupancy. This approach relies heavily on the data integrity of
8 CC&B which is only as accurate as the information entered. If CWS is not
9 performing vacancy surveys involving monitoring of the service territory by field
10 personnel and enforcing vigilant data integrity standards into CC&B, poor
11 customer account management may compromise the results of a water audit and
12 have a significant impact on revenue generation and recovery.

13 **Q. DOES ORS RECOMMEND ANY OTHER CHANGES TO THE CWS**
14 **RATE SCHEDULE LANGUAGE?**

15 A. Yes. ORS recommends the CWS water rate schedule be revised to
16 include the following language:

17 The Utility shall give the Commission thirty days notice of its intent to
18 pass-through to customers purchased water charges which are higher than
19 those in effect at the time of the Commission's approval of the within rate
20 schedule. The Utility shall provide with such notice written
21 documentation of an increase by the provider of purchased water
22 justifying the increase in the amount of purchased water charges sought to
23 be passed-through to affected customers. CWS will be required to give
24 customers a thirty days notice before the increase in the purchased water
25 charges to be passed through may be put into effect.
26

1 ORS recommends a similar statement be added to the CWS sewer rate
2 schedule.

3 **Q. DOES ORS HAVE A CONCERN ABOUT THE RATE PROPOSED FOR**
4 **WHOLESALE SERVICE TO MIDLANDS UTILITY?**

5 A. Yes. The rate proposed by CWS for its wholesale sewer service to
6 Midlands Utility, Inc. (“MUI”) is approximately 13.6% higher than the current
7 rate for MUI. While this percentage is in line with the increase proposed for all
8 similarly situated sewer customers, MUI’s very low current sewer rate has created
9 an unbalanced environment in which other customers are subsidizing the much
10 lower sewer rate offered to this one wholesale customer.

11 ORS does not propose to increase the wholesale rate beyond what was
12 noticed by CWS, but is concerned about the effect on other customers.

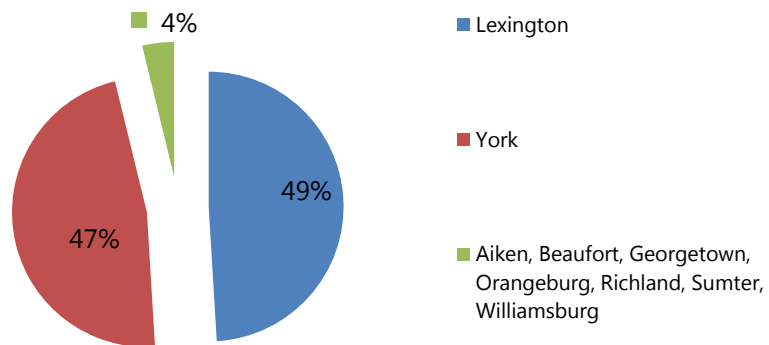
13 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

14 A. Yes it does.

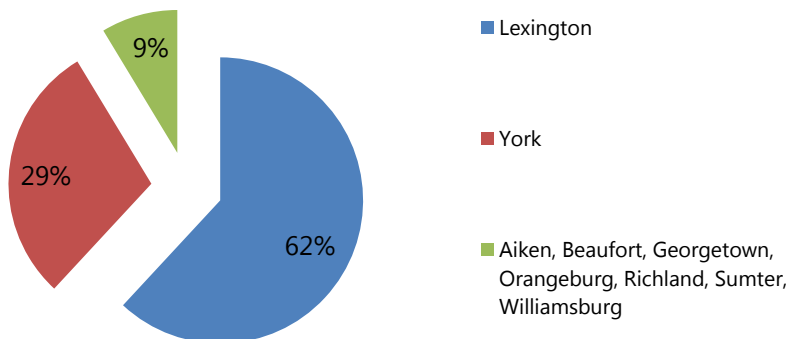
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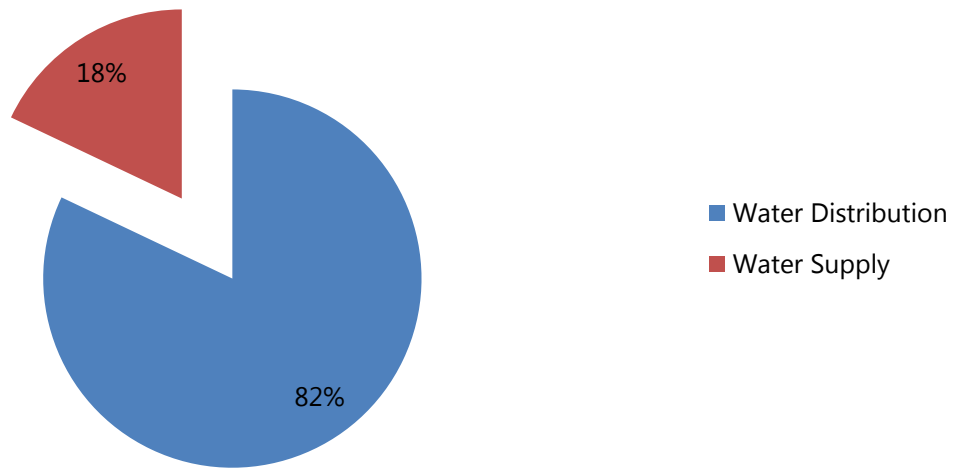
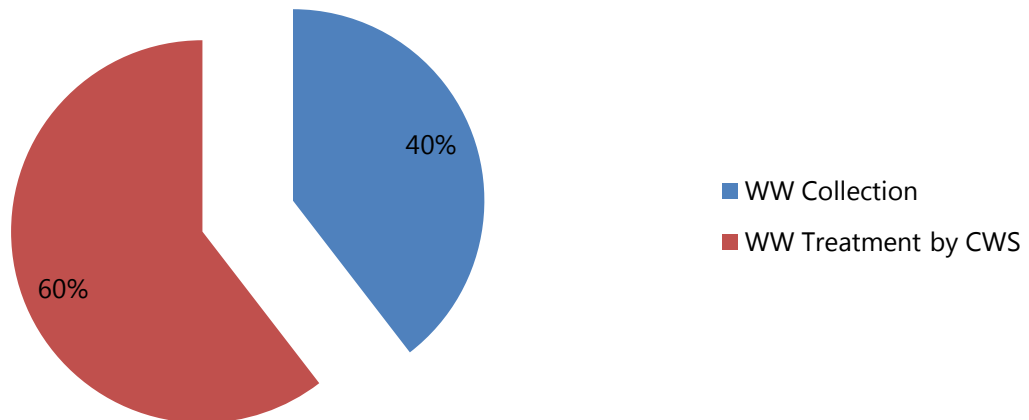
Carolina Water Service, Inc.
Customer Comparison by County

Water ERCs by SC County



Sewer ERCs by SC County



CWS Customer Detail by Service Type**Water ERCs by CWS Service Type****Wastewater ERCs by CWS Service Type**



ORS BUSINESS OFFICE COMPLIANCE REVIEW

Utility: Carolina Water Service, Inc.
 Inspector: Dawn Hipp
 Office: 110 Queen Parkway, West Columbia, SC
 Utility Type: Water and Wastewater
 Date: April 15, 2011 - August 8, 2011

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
1	All records and reports available for examination in accordance with R.103-510 and R.103-710.	X		
2	Complaint records maintained in accordance with R.103-516 and R.103-716.	X		
3	Utility's rates, its rules and regulations, and its up-to-date maps and plans available for public inspection in accordance with R.103-530 and R.103-730.	X		Customer must call CWS Customer Service at 800/272-1919 for information.
4	Established procedures to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the South Carolina Public Service Commission and that the customer has the right to register the complaint in accordance with R.103-530 and R.103-730.	X		Customer bill message informs customer of PSC jurisdiction and ORS phone number.
5	Deposits charged within the limits established by R.103-531 and R.103-731.		X	CWS did not accrue interest on customer deposits accurately during the test year. Deposit interest is required to be paid to the customer every 2 years. CWS reconciled this account during the test year and re-set the interest rate to 3.5% on all deposits that had been in CWS possession for over 2 years and prior to the PSC setting the interest rate to 3.5% in 2003.
6	Timely and accurate bills being rendered to customers in accordance with R.103-532 and R.103-732.		X	Customer bills were inaccurate and untimely during the test year for customers in purchased water and sewer systems.

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
7	Bill forms in accordance with R.103-532 and R.103-732.		X	Bill forms are missing meter readings, applicable rate schedule, and distinct marking to identify estimated bills.
8	Adjustments of bills handled in accordance with R.103-533 and R.103-733.		X	CWS did not bill new customers for service. In some instances, new customers were billed for a full year of service which exceeds the maximum of 6 months CWS is allowed to collect the deficient amount by R.103-733.
9	Policy for customer denial or discontinuance of service in accordance with R.103-535 and R.103-735.	X		
10	Notices sent to customers prior to termination in accordance with Rule R.103-535 and R.103-735.	X		
11	Notices filed with the Commission of any violation of PSC or DHEC rules which affect service provided to its customers in accordance with rule R.103-514-C and R.103-714-C.		X	CWS did not file DHEC notices of violation with the PSC during the test year.
12	Advisories provided to ORS Consumer Services Department affecting 10 or more customers in accordance with rule R.103-514-D and R.103-714-D.	X		ORS receives written copies of voice reach customer advisories.
13	Utility has adequate means (telephone, etc.) whereby each customer can contact the water and/or wastewater utility at all hours in case of emergency or unscheduled interruptions or service in accordance with R.103-530 and R.103-730.	X		
14	Records maintained of any condition resulting in any interruption of service affecting its entire system or major division, including a statement of time, duration, and cause of such an interruption in accordance with R.103-514 and R.103-714.	X		
15	Utility advised the Commission, in accordance with R. 103-512 and R.103-712 of the name, title, address and telephone number of the person who should be contacted in connection with general management duties, customer relations, engineering operations, and emergencies during non-office hours.	X		
16	Company verified the maps on file with the Commission include all the service area of the company.	X		

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
17	Number of customers the company has at present time. Billed ERCs as of 4/1/2011.			ERC's – Water service: 9,442 Sewer service: 13,685
18	Company has a current performance bond on file with the Commission. Amount of bond: \$350,000 (water) and \$350,000 (sewer)	X		
19	Utility maintains a documented Safety Program.	X		
20	Utility maintains a documented Emergency Response plan.	X		
21	Utility maintains a documented Preventative Maintenance plan.	X		
22	Utility submitted a current Annual Report.	X		CWS files Annual Report on FY
23	Utility is in compliance with Gross Receipts reporting and payment regulations.	X		